

# REASONS FOR TAX EVASION AMONG PRIVATE TUTORS IN KANDY DISTRICT FROM TAX ASSESSORS' PERSPECTIVE

Sandeepani, M.H.K.K.<sup>1\*</sup> and Katuwandeniya, I.M.<sup>2</sup>

<sup>1,2</sup>*Department of Business Management, Faculty of Management Studies,  
Sabaragamuwa University of Sri Lanka, Belihuloya, Sri Lanka*

*\*[kavindyasandeepani810@gmail.com](mailto:kavindyasandeepani810@gmail.com)*

## 1. Introduction

The country's tax revenue is the fundamental funding source for the government to deliver essential public services. In Sri Lanka, tax evasion among private tutors has become a significant problem restricting such government funding. Kandy district is home to 30,000 private tutors and has a 60% household tuition usage rate. Hence, this study examines the reasons for tax evasion among private tutors in Kandy district, from the tax assessors' perspectives.

## 2. Research Methodology

This study employed a qualitative research methodology embedded in the interpretivism paradigm to understand the reasons for tax evasion. Using a phenomenological research strategy, the research involved semi-structured interviews with ten tax assessors selected through purposive sampling. Thematic analysis was used to identify patterns and themes related to tax evasion.

## 3. Findings and Discussion

The findings indicated that tax evasion among private tutors in Kandy is driven by both government and personal factors. Issues such as political, system and tax administration inefficiencies contribute to non-compliance. Additionally, personal factors, including a lack of tax knowledge and the influence of peers, reinforced the tendency to evade taxes. These insights resonate with existing literature, highlighting the need for a comprehensive approach to address systemic weaknesses and individual behaviors.

## 4. Conclusion and Implications

This study discovers that addressing tax evasion among private tutors requires a multifaceted approach that involves simplifying tax systems, enhancing public service delivery, and increasing taxpayer education. Such measures are essential for fostering compliance and ensuring that private tutors contribute to national revenue, thereby supporting the overall economic development of Sri Lanka.

**Keywords:** Private tutors, Qualitative research, Tax compliance, Tax evasion